QUARTERLY REPORT
30 SEPTEMBER 2003

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REVIEW OF OPERATIONS

Extract Resources Limited (Extract) announced in October 2003 that it had entered into a conditional agreement to acquire all the issued capital of Burnakura Pty Ltd (Burnakura) which company has the right to earn a 70% interest in the Burnakura Joint Venture (Burnakura JV). Burnakura is a wholly owned subsidiary of Coronet Resources Limited (Coronet). The Burnakura JV is a joint venture between Burnakura and St Barbara Mines Ltd (St Barbara). The acquisition provides Extract’s shareholders with exposure to the gold market in an excellent environment for gold investment and with the support of potential short term cash flow, a strong management team and substantial exploration upside.

The Burnakura project area is located at the eastern flank of the historic Reedy’s mining area. The 51km² project area contains a number of gold deposits with historic production of 2.1mt at 4.5g/t for 300,000 ounces of gold. It is located in the Meekatharra-Wydgee greenstone belt and the deposits occur along a series of NNE-trending shears, collectively referred to as the Burnakura-Federal City Shear Zone. The project currently contains 170,000 ounces of defined resources including 53,000 ounces of indicated underground resources beneath the NOA 2 pit, previously mined by Gold Mines of Australia in 1997 for 218,000 tonnes at 3.7 g/t (25,250 ounces).

It is on the NOA2 underground resource that Extract intends to commence mining in early 2004 with the intention of processing the ore through St Barbara’s Bluebird mill. The Company is entering into an option to supply its ore for processing to St Barbara, in accordance with a planned toll treatment agreement, thereby significantly reducing the Company’s capital costs to begin mining.

The Project

The primary focus for Extract will be to establish early cash flow from the NOA2 deposit, 50 km south of Meekatharra in Western Australia. Extensive drilling beneath the previously mined open pit has indicated a series of high-grade shoots over a 200m strike length containing indicated resources of 192,000 tonnes @ 8.5g/t (using a 2g/t lower cut off and a 100g/t upper cut)

Extract proposes to utilise the relatively flat plunge and dip of the NOA 2 resource to develop an underground decline in ore. Using this technique ore production should commence after only 140m of decline development and the entire 1200m of decline development is expected to be cash positive, producing approximately 25,000 ounces of gold. It is then intended to utilise the underground access as an exploration platform to then further assess the down plunge and down-dip extensions of the structure as part of the ongoing mine planning. The geological and structural setting of the NOA2 project has similarities to the Barton Deeps underground mine at Jundee Gold operations, and there is good potential to significantly increase the NOA2 resource.
Other resources and targets exist along the seven (7) kilometre-long NOA line, the principal mineralised system of the Burnakura JV. There is potential for a cutback on the shallow Alliance pit which is located 1km south of the NOA2 pit and contains indicated resources of 278,000 tonnes @ 3.0g/t (26,800 ounces) defined. One kilometre to the north, beneath the NOA7 and NOA8 pits, sparse deeper drilling has intersected +10g/t mineralisation at regular intervals over a 440m strike length on which inferred resources of 216,000 tonnes @ 5.4 g/t (37,500 ounces) has been calculated. Continued development of these resources form an important part of the Company’s plan to secure long term production at Burnakura.
Diagram 2 of NOA Line Long Section

Benefits of the Acquisition

The Burnakura JV acquisition offers Extract a low cost path to becoming a junior gold producer. The Burnakura JV presents a unique opportunity for Extract:

i. The proposed toll treatment agreement with St Barbara provides the option of processing the ore at the Bluebird plant while Extract explores to establish reserves sufficient for a stand alone plant.

ii. Haul roads and infrastructure are still in excellent condition and only minor earthworks and pit dewatering are required to re-establish access.

iii. Mr Peter McIntyre, representing Burnakura, was appointed to the Board of Extract on 28 October 2003. His position as a past CEO of St Barbara brings experience and understanding of the Meekatharra region and the opportunities available. His background at Central Norseman Gold Operations brings expertise in mining narrow high grade gold deposits. Mr McIntyre has previously been involved with the development of large scale projects at St Ives Gold and Mt Keith Nickel.
iv. Other juniors are exploring in the immediate area and Extract’s position as a potential producer with an established presence offers the opportunity to form strategic alliances.

Extract recognises the current climate as the most favourable for investment in gold in a number of years. The Burnakura JV provides Extract’s shareholders with exposure to that environment with the support of short term cash flow, a strong management team and large exploration upside.

**Gawler Craton**

These tenements are located 120 and 160 kms NW of Port Augusta, in the Woomera and Lake Finniss areas of South Australia.

EL2729 is located to the south of Olympic Dam and has a similar structural and geological setting, being on the Stuart Shelf to the west of the Torrens Hinge Zone, where late Proterozoic sediments overly Gawler Range Volcanics.

EL2707 is located about 80 kms south of Woomera township between Lake Finniss and Lake MacFarlane, and has Proterozoic sediments overlying basement complex Archaean rocks. The depth of cover on these tenements is estimated to vary between 100 and 300 metres (relatively shallow for the region).

**Yilgangi**

The tenement is held as a Prospecting Licence, PL31/1584, in the NE Coolgardie Mineral Field and is located 100 kms northeast of Kalgoorlie. Access is via the Kalgoorlie/Porphyry gravel road. The licence covers an area of 19.2 hectares, 240m x 800m, which includes all the workings of the Yilgangi mine site.
MINERAL EXPLORATION INTERESTS

<table>
<thead>
<tr>
<th>Area of interest</th>
<th>Tenement Details</th>
<th>% Ownership</th>
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</thead>
<tbody>
<tr>
<td>Western Australia</td>
<td></td>
<td></td>
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<tr>
<td>Yilgangi</td>
<td>PL31/1584</td>
<td>100%</td>
</tr>
<tr>
<td>Menzies</td>
<td>ELA29/469</td>
<td>100%</td>
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<tr>
<td>Sandstone</td>
<td>ELA57/505</td>
<td>100%</td>
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<tr>
<td>Sandstone</td>
<td>ELA57/512</td>
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<tr>
<td>Burnakura JV</td>
<td>ML51/116</td>
<td>Conditional acquisition</td>
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<tr>
<td>Burnakura JV</td>
<td>ML51/117</td>
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<tr>
<td>Burnakura JV</td>
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<td>Burnakura JV</td>
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<tr>
<td>South Australia</td>
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<tr>
<td>Woomera</td>
<td>EL2729</td>
<td>100%* (reducing)</td>
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<tr>
<td>Lake Finniss</td>
<td>EL2707</td>
<td>100%* (reducing)</td>
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</tbody>
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The Company has accepted a conditional farm in proposal on these areas of interest from MinRes Resources Inc, formerly Aegean International Gold Inc, a company listed on the TSX Venture Exchange. Mr H Warner and Mr D Steinepreis are directors of both Extract and MinRes Resources Inc.

DIRECTOR APPOINTMENTS

Mr David Steinepreis was appointed a director on 5 September 2003.

Mr Steinepreis is a Chartered Accountant and former partner of an international accounting firm where he specialised in strategic corporate advice and taxation for listed companies. He entered commerce as a director, adviser and major shareholder of a number of listed companies in the gold, diamonds, oil and new mining technology sectors. Mr Steinepreis is a director of GEO2 Ltd, Q-Vis Limited, Nautilus Australia Limited and Kanowna Lights Limited, companies listed on the ASX, Black Rock Oil & Gas PLC, an oil and gas exploration company listed on the Alternative Investment Market in London and Aegean International Gold Inc, a company listed on the CDNX in Canada. Mr Steinepreis is also chairman of Ascent Capital Pty Ltd.

Subsequent to the end of the quarter, on 28 October 2003, Mr Peter McIntyre was appointed a director.
Mr McIntyre has been involved in the mining industry for over twenty years in Australia and Asia, including fifteen years with WMC Ltd in senior executive positions. He has been involved with the development of major projects including St Ives Gold and Mt Keith Nickel, as well as the Central Norseman Gold Operations. Peter held the position of CEO for St Barbara. In addition to the above, Mr McIntyre has consulted to a number of resource companies and finance groups, advising on corporate structures, capital raisings, acquisitions and strategic alliances, as well as strategic business and technical issues. Mr McIntyre is a chartered Civil Engineer and is also a Fellow, Institute of Engineers, Australia. He also completed an MBA programme at the Massachusetts Institute of Technology in Boston in 1993.

PLACEMENT

Extract intends to complete a placement of approximately 35,000,000 Extract ordinary fully paid shares at an issue price of 1.8 cents each to raise approximately $630,000 and will be issuing a disclosure document shortly.

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Yours sincerely

[Signature]

David Steinepreis
Chairman

In accordance with ASX Listing Rule 5.10, the geological information contained in this announcement that relates to mineral resources or ore reserves is based on information compiled by James Pratt (senior geologist) who is a member of the Australasian Institute of Mining and Metallurgy. James Pratt has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 1999 Edition of the “Australasian Code for Reporting of Mineral Resources and Ore Reserves.” James Pratt consents to their inclusion in this announcement based on the information in the form and context in which it appears.